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RUEHCV/AMEMBASSY CARACAS IMMEDIATE  
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TAGS: [OVIP](#) [CLINTON](#) [HILLARY](#) [PREL](#) [SNAR](#) [ETRD](#) [EAID](#)  
CVIS, CU, VE, HA, DR  
SUBJECT: (U) Secretary Clinton's April 17, 2009 Meeting  
with Dominican President Leonel Fernandez

11. (U) Classified by: Paul Wohlers, Deputy Executive  
Secretary, S/ES, Department of State. Reason 1.4 (d)

12. (U) April 17, 2009; 9:45 a.m.; Santo Domingo,  
Dominican Republic.

13. (U) Participants:

U.S.  
The Secretary  
Charge d'Affaires Roland Bullen  
A/S Thomas Shannon, WHA  
Cheryl Mills, Chief of Staff to the Secretary  
Anne-Marie Slaughter, Director of Policy Planning Staff  
Lt. General Paul Selva, Assistant to the Chairman of the  
Joint Chiefs of Staff  
Ellen Dunlap (Embassy Notetaker)

DOMINICAN REPUBLIC  
President Leonel Fernandez  
Carlos Morales Troncoso, Secretary for Foreign Affairs  
Temistocles Montas, Secretary for Economy, Development  
and Planning  
Franklin Almeyda, Secretary for Interior and Police

14. (C) Summary. In a cordial meeting, the Secretary and  
President Fernandez emphasized the importance of a  
bilateral relationship based on close economic, security,  
and cultural ties. Fernandez expressed concern over  
increased drug trafficking and requested additional U.S.  
assistance to provide training and technology. The  
Secretary said counter-narcotics efforts were a priority  
for the U.S. government and noted the importance of the  
upcoming security dialogue with the Caribbean. The  
Secretary expressed an interest in seeing Fernandez play  
an increased role in the region, including by convincing  
Venezuela to cooperate on anti-narcotics efforts. She  
also said the United States wanted to work with the  
Dominican Republic (DR) to create investment  
opportunities in Haiti.

15. (C) Summary, cont. Fernandez indicated his desire to  
reopen consulates in Baltimore, Philadelphia, and  
Jacksonville, as well as new missions in Houston and New  
Jersey. He requested a review of a U.S. policy that  
prevents Dominican legal permanent residents (LPRs) from  
being appointed as Consuls. Fernandez asked the  
Secretary to share information on Government of the  
Dominican Republic (GODR) military and civilian officials  
who have had their U.S. visas cancelled, so that the GODR  
can take action against them if appropriate. Fernandez  
specifically asked the Secretary to review cases

involving General Medina Medina, the head of security at the Palace, and Teonilde Casado de Cheung, Consul General to Hong Kong. Fernandez said the DR had not benefitted from CAFTA-DR yet, but that he was hopeful improvements in the workforce and the DR's competitiveness would bring positive results over the long-term. Secretary Montas inquired whether the Millennium Challenge Corporation (MCC) could show any flexibility on its indicators in order to allow the DR to receive assistance for education and health. End Summary.

#### Counter-narcotics Cooperation

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16. (C) President Fernandez expressed concern over the security situation as a result of increased drug and arms trafficking in the region over the last six years. He said the Iraq war had caused a shift in U.S. policy leading to a decrease in maritime patrol and air surveillance. Fernandez requested an increase in U.S. cooperation, noting that the \$2.5 million in Merida money for FY 2009 was not enough, and referred to the large amount of resources that had been given to Plan Colombia. In addition to monetary assistance, the DR also needed training and technology assistance in order to prepare personnel to prevent drug trafficking and prosecute traffickers. The Secretary for Interior and Police Almeyda specifically noted the need for radar to track flights and for increased technology exchanges. Almeyda said that drug trafficking was a sensitive issue for the DR because it affected tourism and the entire economy. Fernandez added that the problem must be addressed more seriously because it weakens institutions through the corruption of judges and the military.

17. (C) The Secretary emphasized that counter-narcotics cooperation was a priority for the bilateral relationship. She said that the United States saw no evidence that maritime and air surveillance had decreased over the last few years. She agreed that a plan was needed for the region and noted the importance of the upcoming security dialogue with the Caribbean that will be held in May in Suriname. The Secretary urged the DR to send a high level representative to the meeting and asked Fernandez to help the Central American and Caribbean countries understand the importance of working together. A/S Shannon added that the United States will want to hear from countries about their needs for training and capacity building. He said the United States understood their concerns about resources and was trying to identify funding in the FY 2010 budget. The Secretary said that, while the Merida Plan had been focused on Mexico and Central America, the U.S. may seek to expand the initiative and will look at the entire region. She underscored the need for countries to show a strong commitment to fighting drug trafficking and not allowing any safe havens.

18. (C) The Secretary expressed concern that most of the drugs coming to the DR were being brought through Venezuela and that there was no way to track those flights. She asked for Fernandez's help in reaching out to Chavez to increase cooperation. The Secretary said that she did not know if Chavez would cooperate at a high level for planning, but added that the United States would like to bring Venezuela into the dialogue. The Secretary told Fernandez he was a critical leader and a strong partner on these issues. She noted the United States would like to see him play a more important role in the region. Fernandez said he hoped he could act as a bridge on these matters.

CAFTA-DR

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¶9. (SBU) President Fernandez said that the DR has not benefitted from CAFTA-DR yet, but that he was optimistic that the country would see improvements over the next four to five years. He noted the need to develop a national strategy for competitiveness, increase worker productivity, develop a skilled workforce, and increase technology. Fernandez noted the importance of the U.S. economy to the DR in terms of investment, remittances, and tourism. He said it was a priority to strengthen bilateral relations as a result of these close economic ties.

MCC  
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¶10. (SBU) Secretary for Economy, Development, and Planning Montas said that the GODR had been working with USAID for several years to improve the indicators for the Millennium Challenge Account. He noted the GODR had made the most progress in improving the economic competitiveness indicators. Montas acknowledged the need to improve the indicators for investing in education and health, but said that the 2003 economic crisis had prevented the government from reaching the required funding levels. He expressed concern that the global economic crisis also would limit the availability of resources for health and education. Montas requested more flexibility on conditions for meeting the indicators required for MCC funding in order to provide assistance for health and education programs. The Secretary noted that the MCC was established to provide a different model for assistance. She said the MCC Board oversees the process and sets the criteria, which they are committed to meeting. The Secretary said she would like to see if there is a way to work together to make progress on meeting the indicators, which are important benchmarks. She said she would talk to the MCC staff about this issue.

¶11. (SBU) President Fernandez said there is a Dominican law mandating four percent of GDP be devoted to education spending, but that the GODR is spending only 2.9 percent. He said he hopes to reach the four percent goal by 2012 and noted the DR has requested a \$200 million loan from the World Bank for education. Fernandez said the GODR is spending one percent of GDP on healthcare while the law requires 3.5 percent. He said as a result of the 2003 economic crisis, the government is required to pay \$600 million this year to recapitalize the Central Bank. Fernandez said this payment, in addition to the \$700 million required for the subsidy to the electricity sector, prevented the government from allocating more money to the health sector.

¶12. (SBU) In regard to the electricity sector, Fernandez noted a recently implemented law to criminalize electricity theft and said the inability of the distributors to collect revenues from over one million households was the reason the government needs to provide the subsidy. He also said that the distribution company, now owned half by the government and half by a U.S. company, eventually will become state-owned.

Haiti  
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¶13. (SBU) The Secretary emphasized that the United States wants to work closely with the GODR on Haiti and that steps taken to improve the situation in Haiti also will benefit the DR. She noted that Chief of Staff Cheryl Mills will be leading efforts on Haiti, including helping to improve security and increase job creation and agricultural productivity. The Secretary expressed support for Dominican investments in textile factories on the border, where the assembly work is done in Haiti and the higher value work is done in the DR. She urged

Dominican investors to go back into Haiti and said the United States would like to work with the DR on identifying opportunities for investors. Foreign Minister Morales said the DR-Haiti Mixed Bilateral Commission would soon start up again and that work had already begun on identifying the sectors that would be addressed, including the environment. He also said that the DR hoped to sign a free trade agreement with Haiti in five years. The Secretary noted that the environment and renewable energy go hand in hand and should be considered jointly. She also noted that migration is a big problem for the DR. The Secretary said that the United States has suggestions that the Mixed Bilateral Commission could consider and would like to work with both countries.

#### Opening of Consulates and LPR Waivers for Consuls

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¶14. (U) President Fernandez expressed interest in re-opening consulates in Baltimore, Philadelphia, and Jacksonville, which he said had been closed after September 11 for security reasons. He also said the GODR was planning to open new consulates in Houston and New Jersey, where 300,000 Dominicans reside.

¶15. (U) Fernandez said that, according to the Dominican constitution, Dominicans with dual citizenship can be appointed consuls, as is the case in Europe. However, he noted the U.S. policy that U.S. citizens and Dominican legal permanent residents (LPRs) may not serve as consuls. Fernandez added that many Dominican LPRs have become community leaders. He asked the Secretary to review the policy preventing Dominican LPRs from being appointed consuls. The Secretary said she would look into the matter.

#### Visa revocations

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¶16. (C) Fernandez expressed concern over the lack of information sharing by the United States in cases involving government officials who have had their visas revoked. He noted that currently the United States cancels the person's visa with no explanation to the GODR. Fernandez requested a change in the procedure to provide a reason to the GODR for the cancellation. He said if there were strong evidence the government could take appropriate legal action, but without any information they cannot do anything. Fernandez

specifically requested the Secretary review two cases involving General Medina Medina, the Head of Security at the Palace, and Teonilde Casado de Cheung, Consul General to Hong Kong. He said that there was a power struggle in the military and this issue was affecting Medina's image. If Medina had done anything wrong, he would be punished. Regarding Casado, Fernandez said the government had reviewed allegations of irregularity in visa issuances and found no evidence of wrongdoing. The Secretary said she would look into the matter and get back to him.

#### Other Topics Raised at April 16 Dinner

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¶17. (U) On April 16, President Fernandez hosted a small non-working dinner for the Secretary that included several prominent Dominican businessmen and entertainers.

#### U.S. Participants

The Secretary  
Charge d'Affaires Bullen  
A/S Shannon, WHA  
Anne-Marie Slaughter, Director of Policy Planning Staff  
Huma Abedin, Deputy Chief of Staff to the Secretary

#### Dominican Participants

President Fernandez  
First Lady Margarita Ceden0 de Fernandez  
Vice President Rafael Francisco Aburquerque  
Carlos Morales Troncoso, Secretary for Foreign Affairs  
Temistocles Montas, Secretary for Economy, Development  
and Planning  
Cabinet Secretary Luis Manuel Bonetti  
Presidential Secretary Cesar Pina Toribio

118. (SBU) Topics covered at the dinner included:

Cuba: Fernandez said the United States should do more on Cuba and that this would be an issue at the Summit of the Americas. The Secretary said the United States would wait to see how Cuba responded to changes in U.S. policy.

Pre-clearance: Frank Ranieri, a large Dominican investor in the tourism sector, asked about the possibility of establishing pre-clearance for immigration in the DR. He raised this in the context of Cuba opening up to tourism and the DR's need to compete. FM Morales also mentioned this issue in passing during the bilateral meeting.

Renewable energy: Fernandez said renewable energy had good prospects in the DR, but that the price of oil needed to remain around \$60 per barrel in order to make this feasible.

Deportees: Fernandez said the GODR needed more information on deportees in order to better monitor them. The Secretary said the United States did not currently have a common database for the prison system, but that efforts were underway to create one.

CLINTON